

Electrical and Mechanical Amusement Devices House File 594

As Amended by Senate Amendment H-1369

Last Action:

Senate Floor

April 17, 2003

Executive Summary Only

An Act relating to the registration of electrical and mechanical amusement devices and the registration of manufacturers and distributors thereof, making penalties applicable, and providing an effective date.



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LEGISLATIVE FISCAL BUREAU NOTES ON BILLS AND AMENDMENTS (NOBA)

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 594 AS AMENDED BY H-1369
ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES**

SENATE AMENDMENT

- Adds an annual registration fee of \$2,500 for manufacturers and distributors of electrical and mechanical amusement devices. The fees are to be deposited in General Fund.
- Requires owners of electrical and mechanical amusement devices to obtain a registration tag for each device owned.
- Requires persons that own or lease registered devices to purchase or lease the devices from manufacturers, manufacturers' representatives, or distributors that have registered with the Department of Inspections and Appeals (DIA).
- Specifies that an organization wanting to obtain up to four devices must be exempt from paying federal income tax, must have 12 or more members, and cannot have a self-perpetuating governing body. An organization that does not meet these requirements, is limited to two devices.

FISCAL IMPACT: Senate Amendment H-1369 would generate an additional \$118,000 annually for the General Fund, based on an estimated 45 distributors and two manufacturers.

BILL AS PASSED BY THE HOUSE

**LICENSURE OF AMUSEMENT
DEVICES**

- Requires licensure of all electrical and mechanical amusement devices where the outcome is not primarily based on skill. Allows no more than four devices at any single location or premise. Requires an annual fee of \$25 for each device.

AWARDS FOR WINNING

- Requires that awards given for use of the devices can only be redeemed on the premises where the devices are located and only for merchandise sold in the normal course of business for the premises.

REGISTRATION REQUIREMENT

- Requires manufacturers, manufacturer's representatives, and distributors of amusement devices to register with the Department of Inspections and Appeals.

REVOCAION OF REGISTRATION

- Authorizes the DIA to revoke registrations of amusement devices and specifies the procedures and reasons for revocation.

GAMBLING PENALTY

- Reduces the penalty for violations of the provisions of Section 99B.10, Code of Iowa, from a Class D felony to a simple misdemeanor.

REVOLVING FUND

- Requires fees generated from the licensing of the amusement devices be deposited in a special fund and appropriated to the DIA and DPS during FY 2004 and FY 2005 for administration and enforcement purposes.

EFFECTIVE DATE

- Specifies the Bill is effective upon enactment.

FISCAL IMPACT

- The Departments estimate there are between 10,000 and 18,000 of these devices in Iowa. The amount of fees generated would be between \$250,000 and \$450,000. The increased costs for DIA would be \$72,000 for FY 2004 and \$45,000 for FY 2005 and includes 1.0 FTE position for a typist to handle the registrations. The increased costs for DPS would be \$177,000 for FY 2004 and \$144,000 for FY 2005 and includes 2.0 FTE positions for Special Agents.